

Message Text

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21

ACTION IO-10

INFO OCT-01 ISO-00 EB-07 COME-00 CIAE-00 DODE-00 PM-03

H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02

SS-15 USIA-15 /072 W

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R 071750Z MAR 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 1227

UNCLAS GENEVA 1578

PASS DAVID PARKER, DEPT OF COMMERCE (USTS)

E.O. 11652: NA

TAGS: AORG OCON WTO

SUBJ: HEADQUARTERS COST HIGH IN GENEVA, WTO FINDS

1. IF WTO'S FIRST GENERAL ASSEMBLY VOTES TO RETAIN GENEVA AS PERMANENT SITE OF WTO, ORGANIZATION WILL FIND HEADQUARTERS COSTS VERY HIGH SYG LOANTI REPORTS.HE CITED IN PARTICULAR EXTREMELY HIGH UN POST ALLOWANCE PAID HERE AS WELL AS VERY HIGH BUILDING RENTAL COSTS.

2. SYG LONATI NOTED THAT AT PRESENT WTO PAYS NO POST ALLOWANCE TO ITS EMPLOYEES AS THEY ARE EMPLOYED UNDER SWISS LAW AND TREATED AS SWISS NATIONALS. THE POST ALLOWANCE INCREMENT CONTITUTES AN IMPORTANT ELEMENT IN THE LARGE INCREASE IN BUDGT WHICH THE WTO GENERL ASSEMBLY FACES AS THE ORGANIZATION SHIFTS FROM NON-GOVERNMENTAL TO INTER-GOVERNMENTAL STATUS AND STARTS OPERATIONS-EFFECTIVE JAN 1, 1976-UNDER UN PERSONNEL COMPENSATION SYSTEM.

3. WTO WILL BE UNABLE TO RETAIN ITS PRESENT QUARTERS IN GENEVA'S INTERNATIONAL CENTER AFTER DEC 31, 1975, LONATI REPORTS. BASING HIS CALCULATIONS ON A WTO STAFF AT LEAST DOUBT IF NOT TRIPLE HAS PRESENT IUOTO CARRY-OVER STAFF OF 34, LONATI HAS OBTAINED ONE FIRM OFFER TO

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RENT THRE FLOORS OF A BUILDIN FORMERLY OCCUPIED BY

THE INTERGOVERNMENTAL COMMISSION ON EUROPEAN MIGRATION (ICEM) HERE EFFECTIVE JAN 1, 1976. RENT PER FLOOR IS 7000 SF PER MONTH OR 21,000 SF PER MONTH FOR THREE FLOORS, A TOTAL OF 252,000 SF PER ANNUM. THIS WOULD REPRESENT A MORE THAN FOURFOLD INCREASE IN ANNUAL RENT FOR THE NEW WTO. SYG, NATURALLY, IS CHECKING OTHER RENTAL POSSIBILITIES IN GENEVA SUCH AS SPACE IN OLD ILO BUILDING ALONG LAKE GENEVA AND IN QUARTER WHICH GATT WILL BE VACATING NEAR UN PALAIS THIS YEAR.

4. COMMENT: US DEL SHOULD TAKE ABOVE COST FACTORS INTO CONSIDERATION IN ANY DECISION TO VOTE FOR GENEVA A FIRST

ASSEMBLY AS PERMANENT WTO HEADQUARTERS. WTO ASSEMBLY IS, OF COURSE, NOT OBLIGED TO MAKE DECISION ON THIS SUBJECT. QUESTION COULD BE POSTPONED FOR AT LEAST A YEAR WHILE MEMBER STATES EXAMINED AND COMPARE ALTERNATE SITES. DALE

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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